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280753Z Nov 05

UNCLAS SECTION 01 OF 08 TEL AVIV 006659

SIPDIS

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HQ USAF FOR XXXX
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USCINCENT MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
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JERUSALEM ALSO FOR ICD
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PARIS ALSO FOR POL
ROME FOR MFO

E.O. 12958: N/A

TAGS: [IS KMDR MEDIA REACTION REPORT](#)

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

1. Mideast
2. Israel-Hizbullah Clashes
3. Palestinian parliamentary elections

Key stories in the media:

All media report that Shimon Peres is considering joining Ariel Sharon, who may offer Peres a future position as "special ambassador for peace affairs" if the Labor Party elder statesman agrees to support the prime minister's new Kadima faction. Peres is expected to announce his decision whether to leave the Labor party when he returns from a visit to Barcelona on Wednesday. Amir Peretz, realizing that Sharon's main goal in courting Peres is to undermine the new Labor chair, tried to mend matters Sunday, phoning Peres to offer him the post of party president, which would be created especially for him and would include representing the party overseas. Peretz pledged that such a post would not prevent Peres from becoming a senior minister in a Peretz government. However, like Sharon, he is unwilling to offer Peres a guaranteed spot on his party's list.

Yediot Aharonot and Ma'ariv report that PM Sharon, waiting 8 December, when his cabinet will be declared a transitional government and will not require the Knesset approval for ministerial nominations, is currently holding 8 portfolios, including the Interior, Environment, and Infrastructures Ministries.

Ha'aretz cites a senior legal source as saying this week that the criminal investigation of PM Ariel Sharon in the Cyril Kern affair is unlikely to be completed before the March elections. This means suspicions against Sharon and his son Gilad will remain unresolved during the campaign. However, it is increasingly likely that this affair will also end with the closing of the case against Sharon, unless a recent request for a judicial inquiry submitted to Austria reveals valuable evidence. According to the senior source, "there is no realistic chance of a decision in the case before the elections."

Ha'aretz and other media report that Russian oligarch Arkady Gaidamak "dropped a bombshell into the political arena" yesterday when he announced that he is forming a new party that will run in the upcoming elections. Gaidamak is president of the International Betar Movement, a right-wing movement founded in the pre-state era by Ze'ev Jabotinsky and affiliated with the forerunner of the Likud, Menachem Begin's Herut Party. His aide told Ha'aretz that the new party would reflect Betar's goals and values. But in an interview with Ha'aretz last night, Gaidamak said that his party would take a free-market economic stance, while on security and diplomacy, it would call for better understanding between Jews and Arabs in Israel and between Israel and its Arab neighbors. "Israeli-Arab relations have to be

based on economic cooperation and development," he said. In a related report, Ma'ariv says the police will question Gaidamak on suspicion of money laundering through Bank Hapoalim. Ma'ariv reports that "in a rare comment," Saudi King Abdallah said "the situation may improve now that Amir Peretz was elected Labor chairman." Speaking to the Arabic language Al-Hayat, the Saudi king added that the Palestinian firing of mortars is "useless," calling on the Palestinians to unite. He also condemned international terror. Speaking to a Spanish newspaper, Egyptian President Mubarak congratulated Sharon on the successful disengagement, saying, "Sharon is serious in his efforts to make peace." Ma'ariv added that the Sharon bureau reported that the Egyptian president called Sharon to congratulate him on his new chosen path.

Yedi'ot Aharonot reports that in Barcelona yesterday, Finance Minister Olmert met newly-elected German Chancellor Angela Merkel, who said she will visit Israel soon, reiterated Germany's pledge to prevent Iran from obtaining nuclear arms, expressed Germany's opposition to HAMAS participation in PA elections, and said she "admires Sharon's courage." Olmert also met the PA's Abu-Mazen and the Egyptian foreign minister and prime minister.

Yedi'ot Aharonot reports that the Foreign Ministry instructed Israeli representatives worldwide to ask foreign VIP's who intend to visit Israel in the near future "to reconsider," since their counterpart hosts may be busy with the elections and might not have the time for such visits.

Yedi'ot Aharonot carries a report on a security briefing that the IDF chief of staff and chief of Intelligence gave the cabinet yesterday. Major General Farkash said that if the Mehlis report "should stain Bashar Asad, we could witness an escalation on the entire (northern) front." The chief intelligence officer added that despite international pressure, Syria and Hizbullah keep pursuing terror, and that "Syria is allowing terrorists to cross its border into Iraq to harm US troops there." Speaking on the recent Hizbullah attack, Farkash said "an amazing number" of 50 terrorists in 9 squads took part in the attack, whose failure will "prompt the organization to launch more terror attacks soon, to save face." The report cites the deputy Shin Bet head as telling the cabinet "suicide bombers are being smuggled from Gaza into Israel via the Sinai and the Negev," and that there are presently some 10-15 terror attack warnings. He added that the Shin Bet expects HAMAS to actually lose power in the elections after the Rafah crossing has opened and Gaza economy will improve.

Ha'aretz reports that the IDF is set to modify its deployment along the border with Egypt in an effort to better contend with the smuggling of arms from Sinai into Israel and then on to the West Bank.

IDF Radio reported this morning that a Border Policeman who was injured last night by stones that were thrown near the village Anata is in serious condition and may lose sight in one of his eyes. Another six policemen were injured by stones that were thrown by Palestinians at workers involved in the construction of the separation fence in the area. Border Police officials criticized the conditions under which the troops were forced to operate there.

Israel Radio reported this morning on the U.S.-Israel strategic dialogue between Israel and the US will be renewed in Washington today. The Americans had suspended talks in the wake of the arms deal between Israel and China, and the US administration decided to renew them once this crisis in US-Israel relations was over. The Israeli delegation to the talks is headed by minister Tzahi Hanegbi.

----- 1. Mideast -----

Columnist Akiva Eldar wrote in independent, left-leaning Ha'aretz that "Sharon's winning card does not even resemble the road map. His fans do not believe for a second that he has any interest in a Palestinian partner for negotiations. They flock to him because they do not believe his repeated pledges that the withdrawal from Gaza was the last unilateral withdrawal.. Sharon is dictating his Bantustan plan on

the ground through fences and walls, through evacuating two outposts and expanding a dozen settlements... The last dictate ended with 1,000 Israelis and more than 3,000 Palestinians dead."

Arab affairs commentator Dani Rubinstein wrote in independent, left-leaning Ha'aretz: "Several days ago, Palestinian Finance Minister Salam Fayad resigned. because Interior Minister Nasser Yousef, who is responsible for the security services, added to the Gaza services another 2,500 youths. and plans to add another few thousand young Hamas and Islamic Jihad activists to the security services in the near future.. The Palestinian treasury cannot afford to pay so many salaries.. Fayad's resignation is a warning sign of the serious economic complications facing the PA, which are liable to also have political ramifications."

Summary:

Block Quotes:

I. "The Road Map, Sort Of"

Political commentator Agiva Eldar wrote in independent, left-leaning Ha'aretz: "Ariel Sharon has a good chance of going down in history as the first leader who owes his election to voters who do not believe him. At the press conference at which he announced his departure from the Likud, Sharon promised the continued implementation of the road map.. How many people who plan to vote for Kadima will do so because they believe Sharon plans to talk with Mahmoud Abbas about the division of Jerusalem, and to invite Bashar Assad to negotiate over the Golan Heights? Does anybody seriously believe the claim that all this failed to happen during the three years that have elapsed since the road map was drafted solely because the Palestinian Authority did not "destroy the terrorist infrastructure.? Sharon's winning card does not even resemble the road map. His fans do not believe for a second that he has any interest in a Palestinian partner for negotiations. They flock to him because they do not believe his repeated pledges that the withdrawal from Gaza was the last unilateral withdrawal. The secret of his success lies in a post-modern approach to conflict resolution, which has gained currency here under slogans such as dividing the land in accordance with your desires, or unilateral consolidation into settlement blocs. Behind this approach lies the assumption that what was good for Gaza cannot be bad for the West Bank.. Sharon . will not be caught leaning over maps at Camp David, between George Bush and Mahmoud Abbas. He is dictating his Bantustan plan on the ground through fences and walls, through evacuating two outposts and expanding a dozen settlements. The last dictate ended with 1,000 Israelis and more than 3,000 Palestinians dead."

II. "A Resignation that Is a Warning Sign"

Arab affairs commentator Dani Rubinstein wrote in independent, left-leaning Ha'aretz: "Several days ago, Palestinian Finance Minister Salam Fayad resigned. There were several different reasons given for this move. The personal circumstances of Fayad, considered a top professional, are less interesting. What is more important is whether his resignation is connected to what is going on among top Palestinian officials, from an economic and financial perspective.. According to some reports, he resigned from the government because he wants to get involved in politics and declare his candidacy in his hometown district of Tul Karm.. But other reports (such as in the Al-Hayat Al-Jadida PA daily, from the end of last week) say Fayad resigned because Interior Minister Nasser Yousef, who is responsible for the security services, added to the Gaza services another 2,500 youths - almost all of them militants from Fatah and other movements. Yousef did this with the approval of Palestinian Authority Chairman Mahmoud Abbas (Abu Mazen), and plans to add another few thousand young Hamas and Islamic Jihad activists to the security services in the near future. Adding thousands of people to the security services would be a budgetary burden on the Palestinian treasury, and Fayad, according to these reports, would not have been able to stand for it.. Some 160,000 people are serving in the Palestinian government, about a third of them in the security services. The Palestinian treasury cannot afford to pay so many salaries.. Fayad's resignation is a warning sign of the serious economic complications facing the PA, which are liable to also have political ramifications.

12. Israel-Hizbullah Clashes

Columnist Amos Gilboa wrote in popular, pluralist Maariv: "The IDF high command and the chief of staff deliberated how to react to the massive Hizbullah attack, recommending not to attack and settle for a local reaction for now, which the defense minister accepted. This decision was severely criticized., but I believe it was right.. Still, how will it react in the future, when Hizbullah should succeed in kidnapping an Israeli? And it will try, no doubt about it!"

Summary

Columnist Amos Gilboa wrote in popular, pluralist Maariv: "Last Monday, the IDF high command and the chief of staff deliberated how to react to the massive Hizbullah attack. The IDF was pleased with the results: the Hizbullah kidnapping attempt failed, Israel had three Hizbullah bodies, the incident ended without Israeli fatalities, and was clearly an important intelligence achievement. On the other hand, Hizbullah clearly violated the rules of the game.; in other words, it attacked the State of Israel. The IDF recommendation was not to attack and settle for the local reaction for now, which the defense minister accepted. This decision was severely criticized. but I believe the recommendation was right.. But beyond the immediate circumstances, Israel is facing a serious and problematic dilemma vis--vis Hizbullah. Before the Syrian pullout, we could always blame it., but there are no more viable Syrian targets in Lebanon, while the new Lebanese Government is actually under US and French auspices. so attacking Lebanese targets. does not seem wise. Stuck in Iraq, the Americans do not want another conflagration in the Middle East. and it would be wrong [for Israel] to attack deep inside Lebanon as a UN team investigates the Hariri murder and is about to question senior Syrian officials. Why divert international pressure from Syria toward Israel? Hizbullah is aware of Israel's limitations and political situation and. having the Syrian and Iranian blessing in advance. it was willing to take its chances and violate the rules of the game with Israel, but it failed tactically. The current Israeli reaction was correct, but how will it react in the future, when Hizbullah should succeed kidnapping an Israeli? And it will try, no doubt about it!"

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13. Palestinian Parliamentary Election

Summary

Nationalist Hebrew daily, Hatzofe wrote Monday: "The murderous Tanzim secretary general, Marwan Barghouti, was sentenced by an Israeli court to five life-terms in prison. Not one, but five life-term sentences. Now, in the party primary in advance of the Palestinian parliamentary elections, Barghouti won 95% of the vote and, as a result, Israeli politicians have asked to release him. The reason offered: he will make the Palestinians more moderate, he is a moderate and Israel ought not squander an opportunity such as this."

Block Quotes

"Barghouti the Moderate"

Nationalist Hatzofe editorialized: "The murderous Tanzim secretary general, Marwan Barghouti, was sentenced by an Israeli court to five life-terms in prison. Not one, but five life-term sentences. Now, in the party primary in advance of the Palestinian parliamentary elections, Barghouti won 95% of the vote and, as a result, Israeli politicians have asked to release him. The reason offered: he will make the Palestinians more moderate, he is a moderate and Israel ought not squander an opportunity such as this.... How is it that sane politicians want to release a murderer such as Barghouti, who was responsible for the death of many Israeli citizens and the injury of dozens?.... That question is asked because it is clear that the United States either is already pressuring or will soon begin to pressure Israel to release Barghouti because of his "moderation," and the government will acquiesce to that request with the knowledge that the Israeli people has already lost its healthy senses and is struggling for its financial survival more than anything else. Wake up from your

sleep, arise from your slumber."
JONES